

on the unique, one time event which we are seeking to address. What we have done today is an important step toward protecting consumers and businesses from Y2K problems.

That said, I have some concerns about the bill. Individual consumers were not as well protected as they should have been. While we've been able to retain for small businesses as large as 50 employees the ability to get a broad array of damages, we were unable to get a complete exception for consumers. Individuals have less bargaining power and generally don't possess the expertise or money required to protect themselves as well as businesses. Therefore, I am hopeful in conference we will get measures that exempt consumers from certain sections of the bill and allow them greater access and bargaining power when Y2K failures harm them.

I also have concerns about the bill's preemption of State contract and tort law. The class action provisions of this bill would allow for either party to remove an action from a State proceeding to Federal court at virtually any time. This impedes State's rights and could harm individual plaintiffs by forcing them to incur more litigation costs by having to start anew in federal court. Unlike large companies, individuals often have difficulty traveling to new venues and paying additional attorney's fees. The court system should encourage individuals who are harmed to seek redress, not discourage them as this bill does. I also hope we can work on this in conference.

It is important to note that the version that passed the House of Representatives is an even worse bill for consumers. It does not seek the balance between plaintiffs and defendants, but resembles the pro-defendant bill that originally passed from the Senate Commerce Committee. The House bill is a step backward from what was achieved in the Senate. If we move at all toward the House bill in conference, I would hope and I'm confident that many of my colleagues will join me in opposing the conference report.

Overall, passing this bill helps get the process going. It certainly is not perfect and I am hopeful the problems I have outlined can be dealt with in conference. It is also my desire to see the administration get involved in the negotiations at conference.

My constituents, high-tech companies, and consumers deserve a bill that is fair and just, allows for remediation before filing suit, and protects people and companies who have acted in good faith.

MORNING BUSINESS

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each, to extend for 40 minutes equally divided between the two leaders.

The PRESIDING OFFICER (Mr. BUNNING). Without objection, it is so ordered.

Ms. COLLINS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending amendment No. 297 to Calendar No. 89, S. 557, a bill to provide guidance for the designation of emergencies as a part of the budget process:

Trent Lott, Pete Domenici, Rod Grams, Mike Crapo, Bill Frist, Michael B. Enzi, Ben Nighthorse Campbell, Judd Gregg, Strom Thurmond, Chuck Hagel, Thad Cochran, Rick Santorum, Paul Coverdell, Jim Inhofe, Bob Smith of New Hampshire and Wayne Allard.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on amendment No. 297 to S. 557, a bill to provide guidance for the designation of emergencies as a part of the budget process, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Rhode Island (Mr. CHAFEE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—53

Abraham	Enzi	Lott
Allard	Fitzgerald	Lugar
Ashcroft	Frist	Mack
Bennett	Gorton	McCain
Bond	Gramm	McConnell
Brownback	Grams	Murkowski
Bunning	Grassley	Nickles
Burns	Gregg	Roberts
Campbell	Hagel	Santorum
Cochran	Hatch	Sessions
Collins	Helms	Shelby
Coverdell	Hutchinson	Smith (NH)
Craig	Hutchison	Smith (OR)
Crapo	Inhofe	Snowe
DeWine	Jeffords	Specter
Domenici	Kyl	

Stevens
Thomas

Thompson
Thurmond

Voinovich
Warner

NAYS—46

Akaka
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Byrd
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Edwards

Feingold
Feinstein
Graham
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman

Lincoln
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Roth
Sarbanes
Schumer
Torricelli
Wellstone
Wyden

NOT VOTING—1

Chafee

The PRESIDING OFFICER. On this vote the yeas are 53, the nays are 46. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999—MOTION TO PROCEED

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, it is my understanding now we are going to have a debate on the cloture motion related to the steel loan guarantee program. It is my further understanding that there are two people in favor of it who wish to speak for it. Senator NICKLES was going to speak against it.

I ask unanimous consent I might have 5 minutes with Senator NICKLES, so we would have 10 minutes in favor of it and 10 minutes opposed to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senate is not in order. The Chair will recognize the Senator from West Virginia, but his time will not start until the Senate is in order.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair for his insistence upon order.

I urge my colleagues to vote for cloture on this bill and to vote for the bill. I am going to direct my remarks to that portion of the bill, insofar as I can in this brief period, that deals with the steel loan guarantee. Mr. DOMENICI and others will speak about the similar oil and gas loan guarantee.

There is a real need for this legislation, for this assistance to American firms and to American workers, and that need is now. A crisis does exist in our own steel industry. The illegal dumping of below-cost steel into our country is real.

Our domestic steel industry has been seeking remedy through antidumping and countervailing trade cases. The Commerce Department tells us these cases are being considered, but it takes

time. Opponents of this loan guarantee program would have us believe this is an excessively costly solution to a non-existent problem. It is neither. The loan guarantee program outlined in this bill would provide qualified steel producers access to loans through the private market that are guaranteed by the Federal Government in the same way the Federal Government now guarantees loans made to homebuilders, farmers, even foreign nations such as Mexico, Israel, and Russia. It sets no precedent. Similar programs have been successfully implemented for New York City, Lockheed, and Chrysler.

Both the Congressional Budget Office and the Office of Management and Budget have calculated the budget authority estimates of this program at \$140 million, reflective of the fairly low risk of default and the value of the potential collateral to be offered. This cost is fully offset. I want to stress that. This cost is fully offset. The total amount of all guarantees will not exceed \$1 billion. All loans must be repaid within 6 years with interest. The program also contains a funding mechanism for the borrowers to pay for the cost of administering the program. Importantly, this loan guarantee program is GATT legal. We are still playing fair. We are not subsidizing our steel industry.

I respect those who will oppose this measure. But let me ask this question: Are we going to ship another U.S. industry overseas? We have already shipped the shoe industry, the leather industry, the pottery industry, the textile industry and other industries. Are we going to ship another U.S. industry overseas, the steel industry this time? Are we going to allow foreign entities to make ghost towns of our steel-dependent communities?

These are loan guarantees, similar to the guarantees we have provided for all manner of national endeavors in the past whenever it was in our national interests to do so. We have provided such guarantees to foreign nations as well whenever we deemed it to be necessary and beneficial to our international interests. I am not against doing that, if it is in our national interests. This bill is a short-term helping hand to a vital American industry which is being severely damaged by illegal—illegal—foreign dumping. Can we not act here to stand up for American businesses and for American workers? This is a pro-American-business vote as well as a pro-American-jobs vote.

We have already lost 10,000 jobs in the U.S. steel industry since last November. How many more must we lose before we act? When we continue to lose these industries and these jobs, are you going to explain it on the basis that you voted against cloture? Good luck!

Mr. SPECTER. Mr. President, I have sought recognition to speak briefly on the emergency steel and emergency oil and gasoline guarantee program.

Before discussing the merits of the pending issue—which I believe is a very meritorious bill—I think it appropriate to comment on the very unique procedural status of this measure, and it is this:

This provision was in the emergency appropriations bill passed by the Senate, which went to conference with the House last month, on the so-called “Kosovo emergency” where we provided funding for the military action in Kosovo. The House of Representatives during the conference receded to the Senate position, so this bill was accepted by both the Senate—where it passed—and by the House on the rescission.

On the next day, since the conference did not end that day, where the House receded, the House of Representatives changed its position, because the Speaker of the House took up the matter where two of the three key voters in the House changed their vote. The House then changed its position to be opposed to this guarantee loan program.

Then we had the controversy continuing, with the Senate including the program in its bill. The House, having first receded and adopting the program, then said it would oppose the program.

There was very considerable debate. One of our sessions lasted past midnight. The conferees, of which I was one on the Appropriations Committee, were trying to get this bill concluded so we could fund the Kosovo military operations.

There were very considerable discussions. Finally, a small group went to Senate Room 128, the appropriations room. Senator BYRD was present, Senator STEVENS was present, and I was present, all representing the Senate. There were just a few of the House Members present at that time.

We finally agreed upon an approach where the sponsors of this measure—the principal sponsors being Senator BYRD and Senator DOMENICI, and I was a sponsor as well—agreed to have it removed from the emergency supplemental to be attached to another supplemental, which was available.

The understanding was reached that the provision would be on the Senate bill going back to the House in an identical position, that the provision was on the Senate bill, the emergency supplemental passed by the Senate, and then up for consideration by the House. Senator STEVENS, as the chairman of the committee, made a commitment on behalf of the Senate that that would happen.

In order to comply with that arrangement, it would be necessary for this bill to pass the Senate and then to go back to conference with the House—where, candidly, its fate is uncertain—because the House Members, after the position taken by the Speaker of the House, appeared during our conference as being unlikely to accept the bill. Presumptively, that position would continue. That, of course, would await

the events of the conference. But, that arrangement was made.

I think that is a strong point that ought to be considered by the Senate to put this provision in the same position it was in when approved by the Senate, with disagreement by the House after they had earlier agreed, so there would not be a procedural loss.

That was the essence that finally persuaded Senator BYRD to agree to take it off of the earlier bill. So much for the procedure, which I think speaks very strongly for having this measure enacted by the Senate.

On the merits, I submit there are very sound reasons for this loan guarantee program. We have seen the steel industry really decimate in the recent past by dumped steel imports from many countries including Japan, Brazil, Korea, and Russia. In Russia there is a very great demand for the dollar so the Russians are selling steel for any price they can get for it.

The International Trade Commission, backed by the Commerce Department, recently confirmed the very high level of dumping.

We have had a very serious problem with thousands of layoffs in an industry which had slipped down from some 500,000 steelworkers to about 150,000 even while some \$50 billion in capital had been put into the steel industry. There is no way to compete with dumping. Dumping is when foreign exporters bring imports into the United States below the cost of production—below the cost they are selling it in other places. Dumping is in violation of U.S. trade laws and is in violation of GATT.

Over the years, I have urged the adoption of legislation which would provide for a private right of action. That was introduced early in the 1980s to have injunctive relief granted to stop dumped and subsidized steel coming into the country in violation of U.S. trade laws.

I introduced legislation, which is pending at the present time, which would modify the injunctive relief but would provide for equitable relief with duties imposed. This would be GATT consistent. Anybody who dumped steel in the United States would have a duty imposed equal to the legitimate price minus the dumped price. With this legislation, there would be no advantage to dumping steel in the United States.

The House of Representatives passed a very strong bill on quotas, by 289 to about 141. It is veto proof, at least on that state of the record. That matter may be headed for debate on the Senate floor—but in the interim—I think this program for emergency steel and loan guarantees is very appropriate. It provides for a \$1 billion revolving fund for steel companies, and a two-year, \$500 million revolving fund for oil and gas companies.

The bill would require commitment of collateral, which would be a guarantee that the loan would be repaid

and have a fee to be paid by the borrower to cover the cost of administering the program with all loans to be paid in full within 6 years.

The package has been estimated to cost \$270 million which is offset by the executive travel budget. On the merits, it is a solid program and it does have an appropriate offset.

I speak with grave concern about the issue of steel—from the point of view of our Nation—because steel is essential for national security purposes. If an emergency were to arise, we would not be able to buy steel presumptively from the Russians or probably from the Japanese, or who knows, from the Brazilians. We ought to be independent and have a strong steel industry.

In my capacity as chairman of the Senate Steel Caucus, I have grave concern about the loss of jobs, which have been very heavy in my State, Pennsylvania, but very heavy in other States as well. Three medium-sized companies have recently gone into bankruptcy: Acme Steel, Laclede Steel, and Geneva Steel. Others may be in the offing with the tremendous impact of the dumping of steel.

With respect to the problems in the so-called "oil patch," Senator DOMENICI has spoken at some length. We are not talking about the big oil companies. From my background years ago when my family owned a used oil field equipment company—really, a junkyard in Russell, KS—I became familiar with the problems of the small oil dealers in the so-called "oil patch." Senator DOMENICI will address that issue in somewhat greater detail.

My familiarity at the moment is more intensive and extensive on steel, but I do believe that the problems which have been faced by the small oil producers are extensive and warrant this kind of a loan guarantee program. With the provisions of collateral security, safeguards, fees to be paid and with the offset present, this program is one which is structurally sound to have the loans repaid.

Accordingly, I urge my colleagues to vote for cloture so we can consider this matter on the merits, both because of the understanding—really, commitment—reached as I earlier described and the merits of the substantive program.

Mr. DEWINE. Mr. President, I rise today to express my strong support for the bill before us today, and specifically the "Emergency Steel Loan Guarantee Program" provision authored by our distinguished colleague Senator ROBERT BYRD. I would like to take this opportunity to express my gratitude to Senator BYRD for his hard work, determination, and persistence in bringing this important measure to the floor.

Our steel industry is in trouble. Since last year, U.S. steel producers have had to withstand an onslaught of illegally imported steel. In 1998, 41 million tons were dumped—an 83 percent increase over the amounts imported for

the previous eight years. Many steel companies are reporting financial losses, most attributed to the high levels of illegal steel imports. It is estimated that approximately 10,000 steelworkers have lost their jobs. The Independent Steel Workers predict job losses of as many as 165,000 if steel dumping is not stopped. I, along with many of my Senate colleagues like Senators BYRD, ROCKEFELLER, and SPECTER, have introduced legislation to help our steel industry. It is time for action. All eyes are on the U.S. Senate to respond to the crisis.

A good first step would be the adoption of Senator BYRD's Steel Emergency Loan Guarantee Program. This loan program is designed to help troubled steel producers who have been hurt by the record levels of illegally imported steel. For many companies, this program is the only hope they have to keep their mills alive. Specifically, the program would provide qualified U.S. producers with access to a two-year, \$1 billion revolving guaranteed loan fund. In order to qualify, steel producers would be required to give substantive assurances that they will repay the loans. A board chaired by the Secretary of Commerce would oversee the program. The program will cost \$140 million, all of which has been fully offset with other reductions in spending.

A strong and healthy domestic steel industry is vital to our nation. Fortunately, our steel industry is a highly efficient and globally competitive industry. Yet, despite this modernization, our steel producers face a number of unfair trade practices and market distortions that are having a devastating impact in Ohio and other steel-producing states. I have heard firsthand from industry and labor leaders about the crisis. Many steel companies are in serious trouble and are in desperate need of immediate assistance. The short term loans that would be provided under Senator BYRD's program will provide that assistance without burdening taxpayers. If steel plants close, taxpayers will be forced to pay for unemployment compensation, food stamps, Medicaid, housing assistance, child care, community adjustment assistance, and worker retraining—all of which will exceed the total cost of this program. Again, the steel companies are required to repay the loan within six years, provide collateral, and pay a fee to cover the costs of administering the program. The Commerce Department has identified 10 companies that may qualify for the program.

I am a free trader. And I believe free trade does not exist without fair trade. Free trade does not mean free to subsidize, free to dump, free to distort the market. Our trade laws are designed to enforce those principles. However, the current steel crisis underscores flaws and weaknesses in those laws. I am pleased that the Majority Leader has scheduled time next week to deal with the issue of steel dumping. The House

has already acted. It is time for us to act.

Today, we have an opportunity to help an industry that throughout its long and illustrious history has been there for our country. Let us pass this bill and commit to adopting meaningful legislation to deal with the steel import crisis.

I thank Senator BYRD for his tireless efforts in standing up for Steel. I cannot think of a more dedicated champion on this issue. I know my colleagues in the Steel Caucus as well as the hard-working steel producers and steel workers across America are very proud of his efforts.

The PRESIDING OFFICER. Who yields time?

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment my friend from West Virginia, because he is tenacious. He is a very good legislator. I am afraid he is going to win on this vote on the motion to proceed. I hope he does not, because I think we are making a serious mistake if we vote for this, but I compliment him for his persistence in pushing this proposal. I am opposed to it. This proposal is a \$1.5 billion loan guarantee, \$1 billion for steel, \$500 million for oil and gas. Senator DOMENICI added the oil and gas provision, because the oil and gas industry is probably going through a greater economic crisis than even the steel industry.

The Senator from West Virginia said steel has lost 10,000 jobs. The oil and gas industry probably lost 40,000 jobs, and I will tell you, a good percentage of those are in my State. So I am sympathetic with the objectives they are trying to accomplish. I just disagree with the idea of having the Federal Government come in and make Federal loan guarantees.

We tried it before. The Carter administration did this in 1978. In 1978, they came up with a loan guarantee proposal for steel. They ended up making 290 million dollars' worth of loans, net contingent liability. The steel industry defaulted on \$222 million. That is a 77-percent default rate. I will read a couple of comments that were made in the CRS report, dated March 17, 1994.

Although only five loan guarantees were obligated to steel companies. . . 77 percent of the dollar value of these guarantees were defaulted. Although the sample size is very small, hindsight suggests that as a group, steel loans represented a very high level of risk, which may account for the lack of interest in the private markets to take these debt obligations without a guarantee.

I also will read for the RECORD from a Washington Post article dated February 28, 1988, just a couple of comments talking about the loan guarantees.

Less than a decade later, all five loans are in default, and the Commerce Department's Economic Development Administration, in an internal memorandum, notes that "by any measurement, EDA's steel loan program would have to be considered a failure. The program is an excellent example of the folly

inherent in industrial policy programs," the memo added. The companies that received the guaranteed loans are either in bankruptcy, out of business or no longer own the facility in which the money was invested.

This is a news report that analyzed the loan guarantee program that was initiated in the Carter administration back in 1978-1979.

I ask unanimous consent to have printed in the RECORD the article from which I just quoted.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 28, 1988]

STEEL LOAN DEFAULTS PROVIDE HARD LESSON
IN GOVERNMENT POLICY
(By Cindy Skrzycki)

For sale by government, the most modern steel rail mill in the country. Like new. Capable of turning out 360,000 tons of rail. Not far from Pittsburgh.

With a slick marketing campaign, the U.S. government is attempting to recover a portion of the \$100 million it lent Wheeling-Pittsburgh Corp. in 1979 to build a steel rail mill in Monessen, Pa. But it appears that its investment may be as shabby as many of the abandoned mills that litter America's industrial landscape.

The Monessen mill is an example of ill-fated government intervention in an industry that is but a shadow of its old self. Under a special loan-guarantee program put in place by the Carter administration to help the ailing steel industry, a total of five loans worth \$365 million were approved, backed by a 90 percent government guarantee.

Less than a decade later, all five loans are in default, and the Commerce Department's Economic Development Administration, in an internal memorandum, notes that "by any measurement, EDA's steel loan program would have to be considered a failure."

"The program is an excellent example of the folly inherent in industrial policy programs," the memo added.

The companies that received the guaranteed loans are either in bankruptcy, out of business or no longer own the facility in which the money was invested.

Carried on the ledgers of the EDA, which administered the program in the late 1970s, the steel loan-guarantee program is evidence that politically influenced government investment decisions can result in unprofitable, if not disastrous, results, many analysts say.

"It says that in cases like these there is no reason for the government to get involved and second-guess the private capital markets," said Robert Crandall, an economist with the Brookings Institution. "The argument for government intervention may be to develop seed technology with other applications. . . . But these were investments in rather rudimentary technology in a declining industry."

Walter Adams, a steel expert at Michigan State University, called the loan program "another goodie, a lollipop thrown to the industry to assuage complaints about unfair competition and satisfy their demands for government assistance."

At the time the loans were approved, some of them whipped up a storm of controversy in Congress.

At the time, the steel industry was being increasingly pinched by imports and a dramatic falloff in demand for steel. In an effort to save jobs and encourage investment, the industry pressured the Carter administration to provide some relief. Carter's response was to form a special steel task force under the

guidance of Anthony Solomon, the Treasury's undersecretary for monetary affairs. One recommendation was to provide industrial loan guarantees for the industry.

Some of the loans, and the criteria under which they were made, proved to be troublesome. For example, a \$42 million loan—which was never closed—was to go to a French-controlled company called Phoenix Steel. Critics pointed out that the loan not only encouraged overcapacity, but was a subsidy to a foreign producer.

The government has written off the \$19.6 million it paid on a \$21 million loan to Korf Industries, but hopes to recover the \$94.2 million it already has paid bond holders on a \$111 million loan to LTV Corp., which has filed for bankruptcy reorganization. It has recovered about \$16 million of a total of \$63 million it lent to the defunct Wisconsin Steel Co.

But the real eye of the storm has centered on the ill-fated Wheeling-Pittsburgh deal—a facility that was up and running barely six years.

"Once you're in bankruptcy, you're just looking for ways to eliminate unprofitable operations," said Raymond A. Johnson, spokesman for Wheeling-Pittsburgh, which filed for bankruptcy in 1985.

Though Wheeling-Pittsburgh's competitors in the rail business—Bethlehem Steel Corp. and CF&I Steel Corp.—insisted in the late 1970s that there was not enough demand to support another mill, officials at EDA and the company dismissed the objections not only of the companies but of several members of Congress, such as Sen. Lowell P. Weicker (R-Conn.)

Robert Hall, who was then assistant secretary for economic development, called criticism of the new facility "misplaced." Dennis Carney, former chairman of Wheeling-Pittsburgh, said at the groundbreaking of the Monessen mill that "a new rail mill was vitally needed." He also said he felt sure that the company could repay the loan, which was supplemented by yet another \$50 million guaranteed loan from the Farmers Home Administration for pollution control equipment.

But demand has fallen far below the levels foreseen in 1979, when Bethlehem projected that the railroads would need about 1.2 million tons per year of rail. Since the mid-1980s, demand declined as the railroad industry shrank and turned to recycling rail.

"It's not a booming market," said Bob Matthews, president of the Railway Progress Institute, an association of railroad equipment manufacturers. He predicted that demand will be only 500,000 tons, on average, over the next decade while capacity—if Monessen is factored in—is at least double that. Also, imports account for some 30 percent of the market.

Last year, according to Bethlehem, industry shipments—counting imports—were only 540,000 tons. The industry is down to two producers: Bethlehem's unprofitable plant at Steelton, Pa., and CF&I in Pueblo, Colo.

Left to mop up the loan mess is the current crop of EDA officials, some appointed by the Reagan administration, which itself has come under pressure to provide special help for the steel industry such as import quotas.

"We have vivid proof that federal government intervention in the markets has disastrous results," said Orson Swindle, assistant secretary for economic development at Commerce. "The taxpayer will take a bath."

Just how big will the bath be?

In the case of the Monessen mill, the EDA, as instructed by the bankruptcy court, is taking bids and hopes to cover its share of the \$63.5 million loan that financed the mill. The chances of recovering the rest of the \$100

million loan, which went to finance pollution controls, are not good, said Michael Oberlitner, director of EDA's liquidation division.

The government made good on its part of the deal after Wheeling-Pittsburgh filed for bankruptcy in April 1985, paying bond holders some \$90 million.

To try to recoup its investment, the government has undertaken a \$110,000 marketing and advertising campaign that includes having a public relations firm churn out press releases and field inquiries. A brochure touts the Monessen property as "the most advanced rail rolling and finishing facility in America."

Most of the budget, said Oberlitner, has gone to placing promotional ads in newspapers such as the Wall Street Journal and the Financial Times of London.

"We've had tremendous response to the advertising," said Oberlitner, adding that some 130 inquiries have come from domestic and foreign companies and investors.

But the most interesting—if not ironic—bid for the Monessen mill has come from Wheeling-Pittsburgh's old nemesis, Bethlehem Steel, which has offered \$60 million for the facility.

Although Bethlehem's own rail mill at Steelton is not profitable and faces a soft market, the company thinks it can combine the mills, rolling steel at Monessen that has been shipped from Steelton's underutilized facilities.

"We believe the acquisition of Monessen is vital," said Tim Lewis, Steelton's plant manager.

In the end, which comes on April 7 when a buyer will be chosen, the modern Monessen rail mill may run again. But as it stands now, Monessen is an example of a failure of industrial policy.

"In cases like this, there is no penalty for failure," Michigan State's Adams said, commenting on the lack of corporate accountability for bad decisions. "This was largely a political phenomenon."

Mr. NICKLES. We have tried it. It didn't work before. I am afraid it won't work again, because it is basically saying we don't believe the marketplace can make loans; we want the Federal Government to do it. We want to set up a board of politicians that will make loan guarantees, and not only guarantee 70 or 80 percent of the loan but the bill that is before us says they can guarantee 100 percent of the loan.

I find that to be very irresponsible. We are saying the Secretaries of Labor and Commerce and Treasury have better wisdom on whether or not to be making loans than bankers throughout the country. I think that is a serious mistake.

I also have objections because of the way this bill is drafted. It says this is an emergency. We just voted on lockbox. We are going to vote on lockbox again later this week. We do not want to spend any of the surplus of Social Security money on anything but Social Security.

This bill takes a bunch of that money, up to \$270 million estimated by CBO, and says: Let's spend that on loan guarantees. Let's spend Social Security money. Let's move the caps. Let's adjust the caps.

We are violating the so-called lockbox which we say we do not want to spend. As a matter of fact, President

Clinton said it in the State of the Union Address 2 years ago: We won't spend one dime of this Social Security money on anything else. This bill would say, let's spend \$270 million of it. I think that is a mistake.

I urge my colleagues, we shouldn't be declaring an emergency this week. We just did it 2 weeks ago. We did it 2 weeks ago as Kosovo money, \$13 billion net for Kosovo. We declared that an emergency. We are declaring this an emergency; that is a \$270 million cost. That shouldn't be counted. Even though it may have offsets on budget authority, it is not offset in outlays. It does move the caps up. It does violate the budget. I think it would be a serious mistake.

What about dumping? The Commerce Department has already taken action against Japan and against Brazil to stop illegal dumping. That is the proper avenue to be moving if there is illegal dumping. It is not to have the Federal Government come in and say: Let's make loan guarantees. Let's have the Federal Government underwrite it. Politicians know best. We don't think the marketplace can work. We think bureaucrats in three Departments should be making these loans.

I urge my colleagues to vote no on the cloture vote.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The time of the Senator from Oklahoma has expired. Who yields time?

Mr. DOMENICI. Mr. President, I will reserve the remainder of my time for closing. Since we are trying to defend against an assault here, we want to speak last.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, out of courtesy for our colleague from New Mexico, I will go ahead and speak now.

First of all, let me make a couple of things clear. No. 1, this bill contains an emergency designation so that not one penny of the funds expended under these loan guarantees will count toward the spending caps.

What that means is that in the next 2 years alone, in the years 2000 and 2001, that is \$270 million, over a quarter of a billion dollars, if optimistic assumptions about defaults contained in this bill hold up, \$270 million, over a quarter of a billion dollars will come directly out of the Social Security surplus.

Supposedly, there are offsets for cutting travel and furniture, but the spending caps are not reduced by that amount. So that money, if in fact those cuts were ever made, would end up being spent on something else. The spending in this bill is designated as an emergency, which means every penny of it will come out of the Social Security surplus.

We just had a vote about an hour ago where we said we want to stop the plundering of the Social Security trust fund. We do not think Congress ought

to be taking Social Security money and spending it on other things. In fact, Republicans have been pretty self-righteous about it. We have held up our little lockboxes, and we have had press conferences. The problem is we hold these lockboxes up, but we keep supporting measures that knock the doors off, springs go flying, the combination thing goes rolling across the room. You cannot have it both ways. You either want to spend money or you don't want to spend money.

Nobody should be confused about the fact that this is paid for. The cuts don't lower the spending caps. There is an emergency designation; \$270 million minimum in 2 years will come right out of Social Security.

We are turning the clock back. The last time we had the Government making loans to business, engaging in industrial policy, was when Jimmy Carter was President. Someone earlier today tried to make an argument that we were doing all of these things because the inflation rate was double digit at the time. Did anybody ever think the inflation rate got to be double digit because we did all of these things?

In a period of record prosperity, what are we doing having the Government override the decisions of the marketplace?

We do have laws against dumping, and those laws are being vigorously enforced by this administration. Some would say overly enforced. But there are avenues to deal with dumping, and those avenues are being addressed.

The last time we guaranteed loans to American industry and to the steel industry in particular, 77 percent of those loans were defaulted. If that happens here, every penny of that is coming right out of the Social Security surplus.

This is popular. I am from an oil State. There are going to be people who say \$500 million of loans could just do wonders for us. But we are not paying for this. You take out the emergency designation, you change this bill, because then you get cuts in other spending to pay for it.

I think we have to make a decision. We have to decide which side we are on. You cannot be for not plundering the Social Security trust fund and be for this bill. So while obviously my State, and the State of the Senator from Oklahoma, would be beneficiaries from some of these loans, we can't have it both ways. We can't stand up an hour ago and say: Don't plunder Social Security, and then an hour later say: Well, if it is for a good reason such as providing loan guarantees for steel and oil, it is OK to plunder Social Security, but it is not OK in the abstract.

I can't turn corners that quickly. I can't change sides on an issue in an hour.

I do not want people to be confused. This bill has an emergency designation. It will waive the cap for the spending. There are offsets in budget

authority, but they do not match up with the spending. There is no lowering of the spending cap to enforce the savings. The truth is, every penny spent from the year 2000 when this program starts until it ends will come directly out of the surplus and, for the next few years, every penny of it will come directly out of the Social Security surplus.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. GRAMM. If you are going to lock it up, you cannot spend it.

Mr. DOMENICI. Mr. President, parliamentary inquiry. All the time has expired except for 5 minutes for the Senator from New Mexico; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. Then we will vote?

The PRESIDING OFFICER. The cloture vote, yes.

Mr. DOMENICI. Mr. President, let me remind everyone that this would have been a great argument 3 weeks ago when the Senate passed, with an overwhelming vote, a supplemental appropriations bill that had this precise bill in it. A vast majority of Senators voted in favor of the Emergency Supplemental bill. So we already passed it.

All of a sudden, steel and oil and gas become a very bad thing. But we already passed it overwhelmingly. We sent it over to the House to go to conference. The Senate conferees wanted their loan programs. The House was dead set against it. Because of these loan programs the Emergency Supplemental for Kosovo and Hurricane Mitch was deadlocked. The Senate conferees said, all right, let's pass the Emergency bill without the loan provisions but let's take it back to the Senate, and when it gets back to the Senate, let's vote it out and take it to conference with the House so we can finally resolve the debate that started weeks ago in conference.

Frankly, the air tight lockbox that everybody thinks will really tie up Social Security forever—I want to confess, I invented it, I dreamt it up. But, you know, every time we turn around now for the next 6 or 8 months, as we work our way through, where is the lockbox? Do we really have one, or don't we?

We will hear this "plundering" heard—led by the Senator from Texas—that we are plundering. If you divide \$270 million by 10 years, we are plundering it to the extent of \$27 million a year.

If you want to look at the reality of things, in order to say to the oil patch in the United States, which already has lost over 56,400 jobs out of an estimated 340,700 jobs just since October 1997. With oil patch in crisis our rural communities are dying on the vine. Those who service the oil industry in the field—not the Exxons and the Texacos—going broke or belly up because they can't get loans, we are not going to fix that.

But I submit that if you are worried about making loans, we make hundreds of millions in loans for agriculture. We voted \$6 billion or \$8 billion in supplemental emergency funds for agriculture. If you don't think the U.S. Government lends money to business, just go look at the Small Business Administration, where hundreds of thousands of dollars are loaned to small business on 90 percent guarantees. Guess what. They are making it. There is no gigantic default rate. They are being helped to get into business and succeed.

Frankly, from my standpoint, it just appeared to me, as a Senator from oil patch, that essentially if we are going to help other people, then I just want to try to see in the Senate if you would like to help the industry that is a core fundamental of any industrialized economy—the production of oil and gas in the United States, which is withering on the vine, and dependence is going through the roof. Our foreign oil dependence is now 57 percent.

Senator NICKLES mentioned the steel program of the late 1970's. It was a small, unstructured, ad hoc program. I believe there were a grand total of five loans made. We sit here tonight and equate this to an era in American corporate history when inflation was 18 percent, interest rates were 20 percent, and my friend from Texas says because that program didn't work very well we shouldn't try again.

That experience is a lesson, but frankly, it is irrelevant. The steel industry of today bears no resemblance to the steel industry of the 1970s. Our economy today, bears no resemblance to the economy then. Interest rates and default rates by American companies are nowhere near what they were then. The failure of business to default is all over the guarantee program in America. The failure is very small, because the economy is strong and they are able to pay their loans back.

So Senators on my side of the aisle can feel free to vote against this measure as a matter of substance. But I believe in fairness to having passed these bills already—we committed to go to conference with the House to see what they would do—we ought to invoke cloture so as to delay this bill for the shortest period of time possible. It could be amended post cloture, but at least we won't be here killing the bill that is exactly what I have outlined—a revote on something we already voted for.

I am not going to argue the economic condition of oil patch, because some of the Senators on my side of the aisle, and a few on that side of the aisle, already know that the United States, in terms of oil patch, those people who service oil wells, they are experiencing a total economic collapse. If we can't see fit to put \$500 million on the books that can be loaned to them, and have to argue about the philosophy of loans by the Federal Government and the default rate of 25 year ago, then, frankly,

I believe oil patch has the right to conclude that we just don't care.

I yield the floor.

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired.

Under the previous order, the clerk will report the motion to invoke cloture.

The legislative assistant read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 121, H.R. 1664, the steel, oil and gas loan guarantee program legislation:

Trent Lott, Pete Domenici, Rick Santorum, Mike DeWine, Ted Stevens, Kent Conrad, Joe Lieberman, Robert C. Byrd, Byron L. Dorgan, Jay Rockefeller, Tom Daschle, Harry Reid, Paul Wellstone, Tom Harkin, Fritz Hollings, Robert J. Kerrey, and Tim Johnson.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 1664, an act making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes, shall be brought to a close?

The yeas and nays are required under the rules.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Rhode Island (Mr. CHAFEE) is necessarily absent.

The yeas and nays resulted—yeas 71, nays 28, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—71

Abraham	Edwards	Lugar
Akaka	Feingold	McConnell
Baucus	Feinstein	Mikulski
Bayh	Gorton	Moynihan
Bennett	Graham	Murkowski
Biden	Harkin	Murray
Bingaman	Hatch	Reed
Bond	Helms	Reid
Boxer	Hollings	Robb
Breaux	Hutchison	Roberts
Bryan	Inhofe	Rockefeller
Burns	Inouye	Santorum
Byrd	Jeffords	Sarbanes
Campbell	Johnson	Schumer
Cleland	Kennedy	Sessions
Cochran	Kerrey	Shelby
Conrad	Kerry	Specter
Craig	Kohl	Stevens
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Dodd	Leahy	Torricelli
Domenici	Levin	Wellstone
Dorgan	Lieberman	Wyden
Durbin	Lincoln	

NAYS—28

Allard	Fitzgerald	Kyl
Ashcroft	Frist	Lott
Brownback	Gramm	Mack
Bunning	Grams	McCain
Collins	Grassley	Nickles
Coverdell	Gregg	Roth
Crapo	Hagel	
Enzi	Hutchinson	

Smith (NH)
Smith (OR)

Snowe
Thomas

Voinovich
Warner

NOT VOTING—1

Chafee

The PRESIDING OFFICER. On this vote the yeas are 70, the nays are 29. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed. Without objection, the motion is agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion to proceed was agreed to.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 1664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1999, and for other purposes, namely:

CHAPTER 1

[DEPARTMENT OF STATE

[ADMINISTRATION OF FOREIGN AFFAIRS

[DIPLOMATIC AND CONSULAR PROGRAMS

[Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for "Diplomatic and Consular Programs", \$17,071,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[SECURITY AND MAINTENANCE OF UNITED STATES MISSIONS

[Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for "Security and Maintenance of United States Missions", \$50,500,000, to remain available until expended, of which \$45,500,000 shall be available only to the extent that an official budget request for a specific dollar amount that includes the designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE]

[Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for "Emergencies in the Diplomatic and Consular Service", \$2,929,000, to remain available until expended, of which \$500,000 shall be transferred to the Peace Corps and \$450,000 shall be transferred to the United States Information Agency, for evacuation and related costs: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.]

SEC. 101. EMERGENCY STEEL LOAN GUARANTEE PROGRAM.

(a) **SHORT TITLE.**—This chapter may be cited as the "Emergency Steel Loan Guarantee Act of 1999".

(b) **CONGRESSIONAL FINDINGS.**—Congress finds that—

(1) the United States steel industry has been severely harmed by a record surge of more than 40,000,000 tons of steel imports into the United States in 1998, caused by the world financial crisis;

(2) this surge in imports resulted in the loss of more than 10,000 steel worker jobs in 1998, and was the imminent cause of 3 bankruptcies by medium-sized steel companies, Acme Steel, Laclede Steel, and Geneva Steel;

(3) the crisis also forced almost all United States steel companies into—

(A) reduced volume, lower prices, and financial losses; and

(B) an inability to obtain credit for continued operations and reinvestment in facilities;

(4) the crisis also has affected the willingness of private banks and investment institutions to make loans to the United States steel industry for continued operation and reinvestment in facilities;

(5) these steel bankruptcies, job losses, and financial losses are also having serious negative effects on the tax base of cities, counties, and States, and on the essential health, education, and municipal services that these government entities provide to their citizens; and

(6) a strong steel industry is necessary to the adequate defense preparedness of the United States in order to have sufficient steel available to build the ships, tanks, planes, and armaments necessary for the national defense.

(c) **DEFINITIONS.**—For purposes of this section:

(1) **BOARD.**—The term "Board" means the Loan Guarantee Board established under subsection (e).

(2) **PROGRAM.**—The term "Program" means the Emergency Steel Guarantee Loan Program established under subsection (d).

(3) **QUALIFIED STEEL COMPANY.**—The term "qualified steel company" means any company that—

(A) is incorporated under the laws of any State;

(B) is engaged in the production and manufacture of a product defined by the American Iron and Steel Institute as a basic steel mill product, including ingots, slab and billets, plates, flat-rolled steel, sections and structural products, bars, rail type products, pipe and tube, and wire rod; and

(C) has experienced layoffs, production losses, or financial losses since the beginning of the steel import crisis, in January 1998 or that operates substantial assets of a company that meets these qualifications.

(d) **ESTABLISHMENT OF EMERGENCY STEEL GUARANTEE LOAN PROGRAM.**—There is established the Emergency Steel Guarantee Loan Program, to be administered by the Board, the purpose of which is to provide loan guarantees to qualified steel companies in accordance with this section.

(e) **LOAN GUARANTEE BOARD MEMBERSHIP.**—There is established a Loan Guarantee Board, which shall be composed of—

(1) the Secretary of Commerce, who shall serve as Chairman of the Board;

(2) the Secretary of Labor; and

(3) the Secretary of the Treasury.

(f) **LOAN GUARANTEE PROGRAM.**—

(1) **AUTHORITY.**—The Program may guarantee loans provided to qualified steel companies by private banking and investment institutions in accordance with the procedures, rules, and regulations established by the Board.

(2) **TOTAL GUARANTEE LIMIT.**—The aggregate amount of loans guaranteed and outstanding at any one time under this section may not exceed \$1,000,000,000.

(3) **INDIVIDUAL GUARANTEE LIMIT.**—The aggregate amount of loans guaranteed under this section with respect to a single qualified steel company may not exceed \$250,000,000.

(4) **MINIMUM GUARANTEE AMOUNT.**—No single loan in an amount that is less than \$25,000,000 may be guaranteed under this section, except that the Board may in exceptional circumstances guarantee smaller loans.

(5) **TIMELINES.**—The Board shall approve or deny each application for a guarantee under this section as soon as possible after receipt of such application.

(6) **ADDITIONAL COSTS.**—For the additional cost of the loans guaranteed under this subsection, including the costs of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there is appropriated \$140,000,000 to remain available until expended.

(g) **REQUIREMENTS FOR LOAN GUARANTEES.**—A loan guarantee may be issued under this section upon application to the Board by a qualified steel company pursuant to an agreement to provide a loan to that qualified steel company by a private bank or investment company, if the Board determines that—

(1) credit is not otherwise available to that company under reasonable terms or conditions sufficient to meet its financing needs, as reflected in the financial and business plans of that company;

(2) the prospective earning power of that company, together with the character and value of the security pledged, furnish reasonable assurance of repayment of the loan to be guaranteed in accordance with its terms;

(3) the loan to be guaranteed bears interest at a rate determined by the Board to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of such loan;

(4) the company has agreed to an audit by the General Accounting Office prior to the issuance of the loan guarantee and annually thereafter while any such guaranteed loan is outstanding; and

(5) in the case of a purchaser of substantial assets of a qualified steel company, the qualified steel company establishes that it is unable to reorganize itself.

(h) **TERMS AND CONDITIONS OF LOAN GUARANTEES.**—

(1) **LOAN DURATION.**—All loans guaranteed under this section shall be payable in full not later than December 31, 2005, and the terms and conditions of each such loan shall provide that the loan may not be amended, or any provision thereof waived, without the consent of the Board.

(2) **LOAN SECURITY.**—Any commitment to issue a loan guarantee under this section shall contain such affirmative and negative covenants and other protective provisions that the Board determines are appropriate. The Board shall require security for the loans to be guaranteed under this section at the time at which the commitment is made.

(3) **FEES.**—A qualified steel company receiving a guarantee under this section shall pay a fee to the Department of the Treasury to cover costs of the program, but in no event shall such fee exceed an amount equal to 0.5 percent of the out-

standing principal balance of the guaranteed loan.

(i) **REPORTS TO CONGRESS.**—The Secretary of Commerce shall submit to Congress a full report of the activities of the Board under this section during each of fiscal years 1999 and 2000, and annually thereafter, during such period as any loan guaranteed under this section is outstanding.

(j) **SALARIES AND ADMINISTRATIVE EXPENSES.**—For necessary expenses to administer the Program, \$5,000,000 is appropriated to the Department of Commerce, to remain available until expended, which may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration.

(k) **TERMINATION OF GUARANTEE AUTHORITY.**—The authority of the Board to make commitments to guarantee any loan under this section shall terminate on December 31, 2001.

(l) **REGULATORY ACTION.**—The Board shall issue such final procedures, rules, and regulations as may be necessary to carry out this section not later than 60 days after the date of enactment of this Act.

(m) **IRON ORE COMPANIES.**—

(1) **IN GENERAL.**—Subject to the requirements of this subsection, an iron ore company incorporated under the laws of any State shall be treated as a qualified steel company for purposes of the Program.

(2) **TOTAL GUARANTEE LIMIT FOR IRON ORE COMPANY.**—Of the aggregate amount of loans authorized to be guaranteed and outstanding at any one time under subsection (f)(2), an amount not to exceed \$30,000,000 shall be loans with respect to iron ore companies.

(3) **MINIMUM IRON ORE COMPANY GUARANTEE AMOUNT.**—Notwithstanding subsection (f)(4), a single loan to an iron ore company in an amount of not less than \$6,000,000 may be guaranteed under this section.

FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES (RESCISSIONS)

SEC. 102. (a) Of the funds available in the nondefense category to the agencies of the Federal Government, \$145,000,000 are hereby rescinded: *Provided*, That rescissions pursuant to this subsection shall be taken only from administrative and travel accounts: *Provided further*, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office in the Executive Branch, including the Office of the President.

(b) Within 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a) of this section.

CHAPTER 2

[DEPARTMENT OF DEFENSE—MILITARY

[MILITARY PERSONNEL

[MILITARY PERSONNEL, ARMY

[For an additional amount for "Military Personnel, Army", \$2,920,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[MILITARY PERSONNEL, NAVY

[For an additional amount for "Military Personnel, Navy", \$7,660,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[MILITARY PERSONNEL, MARINE CORPS

[For an additional amount for "Military Personnel, Marine Corps", \$1,586,000: *Provided*, That such amount is designated by the

Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[MILITARY PERSONNEL, AIR FORCE]

[For an additional amount for "Military Personnel, Air Force", \$4,303,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[OPERATION AND MAINTENANCE]

[OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND]

[(INCLUDING TRANSFER OF FUNDS)]

[For an additional amount for "Overseas Contingency Operations Transfer Fund", \$5,219,100,000, to remain available until expended: *Provided*, That the entire amount made available under this heading is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, \$1,311,800,000 shall be available only to the extent that the President transmits to the Congress an official budget request for a specific dollar amount that: (1) specifies items which meet a critical readiness or sustainability need, to include replacement of expended munitions to maintain adequate inventories for future operations; and (2) includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the Secretary of Defense may transfer these funds only to military personnel accounts; operation and maintenance accounts, including Overseas Humanitarian, Disaster, and Civic Aid; procurement accounts; research, development, test and evaluation accounts; military construction; the Defense Health Program appropriation; the National Defense Sealift Fund; and working capital fund accounts: *Provided further*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further*, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That such funds may be used to execute projects or programs that were deferred in order to carry out military operations in and around Kosovo and in Southwest Asia, including efforts associated with the displaced Kosovar population: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

[PROCUREMENT]

[WEAPONS PROCUREMENT, NAVY]

[For an additional amount for "Weapons Procurement, Navy", \$431,100,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[AIRCRAFT PROCUREMENT, AIR FORCE]

[For an additional amount for "Aircraft Procurement, Air Force", \$40,000,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and

Emergency Deficit Control Act of 1985, as amended.

[MISSILE PROCUREMENT, AIR FORCE]

[For an additional amount for "Missile Procurement, Air Force", \$178,200,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[PROCUREMENT OF AMMUNITION, AIR FORCE]

[For an additional amount for "Procurement of Ammunition, Air Force", \$35,000,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[OPERATIONAL RAPID RESPONSE TRANSFER FUND]

[(INCLUDING TRANSFER OF FUNDS)]

[In addition to the amounts appropriated or otherwise made available in this Act and the Department of Defense Appropriations Act, 1999 (Public Law 105-262), \$400,000,000, to remain available for obligation until September 30, 2000, is hereby made available only for the accelerated acquisition and deployment of military technologies and systems needed for the conduct of Operation Allied Force, or to provide accelerated acquisition and deployment of military technologies and systems as substitute or replacement systems for other U.S. regional commands which have had assets diverted as a result of Operation Allied Force: *Provided*, That funds under this heading may only be obligated in response to a specific request from a U.S. regional command and upon approval of the Secretary of Defense, or his designate: *Provided further*, That the Secretary of Defense shall provide written notification to the congressional defense committees prior to the transfer of any amount in excess of \$10,000,000 to a specific program or project: *Provided further*, That the Secretary of Defense may transfer funds made available under this heading only to operation and maintenance accounts, procurement accounts, and research, development, test and evaluation accounts: *Provided further*, That the transfer authority provided under this section shall be in addition to the transfer authority provided to the Department of Defense in this Act or any other Act: *Provided further*, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for \$400,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[GENERAL PROVISIONS—THIS CHAPTER]

[(TRANSFER OF FUNDS)]

[SEC. 201. Section 8005 of the Department of Defense Appropriations Act, 1999 (Public Law 105-262), is amended by striking out "\$1,650,000,000" and inserting in lieu thereof "\$2,450,000,000".

[SEC. 202. Notwithstanding the limitations set forth in section 1006 of Public Law 105-261, not to exceed \$10,000,000 of funds appropriated by this Act may be available for contributions to the common funded budgets of

NATO (as defined in section 1006(c)(1) of Public Law 105-261) for costs related to NATO operations in and around Kosovo.

[SEC. 203. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

[SEC. 204. Notwithstanding section 5064(d) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355), the special authorities provided under section 5064(c) of such Act shall continue to apply with respect to contracts awarded or modified for the Joint Direct Attack Munition (JDAM) program until June 30, 2000: *Provided*, That a contract or modification to a contract for the JDAM program may be awarded or executed notwithstanding any advance notification requirements that would otherwise apply.

[SEC. 205. (a) EFFORTS TO INCREASE BURDENSARING.—The President shall seek equitable reimbursement from the North Atlantic Treaty Organization (NATO), member nations of NATO, and other appropriate organizations and nations for the costs incurred by the United States government in connection with Operation Allied Force.

[(b) REPORT.—Not later than September 30, 1999, the President shall prepare and submit to the Congress a report on—

[(1) All measures taken by the President pursuant to subsection (a);

[(2) The amount of reimbursement received to date from each organization and nation pursuant to subsection (a), including a description of any commitments made by such organization or nation to provide reimbursement; and

[(3) In the case of an organization or nation that has refused to provide, or to commit to provide, reimbursement pursuant to subsection (a), an explanation of the reasons therefor.

[(c) OPERATION ALLIED FORCE.—In this section, the term "Operation Allied Force" means operations of the North Atlantic Treaty Organization (NATO) conducted against the Federal Republic of Yugoslavia (Serbia and Montenegro) during the period beginning on March 24, 1999, and ending on such date as NATO may designate, to resolve the conflict with respect to Kosovo.

[SEC. 206. (a) Not more than thirty days after the enactment of this Act, the President shall transmit to Congress a report, in both classified and unclassified form, on current United States participation in Operation Allied Force. The report should include information on the following matters:

[(1) A statement of the national security objectives involved in U.S. participation in Operation Allied Force;

[(2) An accounting of all current active duty personnel assigned to support Operation Allied Force and related humanitarian operations around Kosovo to include total number, service component and area of deployment (such accounting should also include total number of personnel from other NATO countries participating in the action);

[(3) Additional planned deployment of active duty units in the European Command area of operations to support Operation Allied Force, between the date of enactment of this Act and the end of fiscal year 1999;

[(4) Additional planned Reserve component mobilization, including specific units to be called up between the date of enactment of this Act and the end of fiscal year 1999, to support Operation Allied Force;

[(5) An accounting by the Joint Chiefs of Staff on the transfer of personnel and materiel from other regional commands to the United States European Command to support Operation Allied Force and related humanitarian operations around Kosovo, and

an assessment by the Joint Chiefs of Staff of the impact any such loss of assets has had on the war-fighting capabilities and deterrence value of these other commands;

[(6) Levels of humanitarian aid provided to the displaced Kosovar community from the United States, NATO member nations, and other nations (figures should be provided by country and type of assistance provided whether financial or in-kind); and

[(7) Any significant revisions to the total cost estimate for the deployment of United States forces involved in Operation Allied Force through the end of fiscal year 1999.

[(b) OPERATION ALLIED FORCE.—In this section, the term "Operation Allied Force" means operations of the North Atlantic Treaty Organization (NATO) conducted against the Federal Republic of Yugoslavia (Serbia and Montenegro) during the period beginning on March 24, 1999, and ending on such date as NATO may designate, to resolve the conflict with respect to Kosovo.

[SEC. 207. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, \$1,339,200,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for spare and repair parts and associated logistical support necessary for the maintenance of weapons systems and equipment, as follows:

["Operation and Maintenance, Navy", \$457,000,000;

["Operation and Maintenance, Air Force", \$676,800,000;

["Operation and Maintenance, Air Force Reserve", \$24,000,000;

["Operation and Maintenance, Air National Guard", \$26,000,000;

["Aircraft Procurement, Navy", \$118,000,000;

["Aircraft Procurement, Air Force", \$31,300,000; and

["Missile Procurement, Air Force", \$6,100,000;

[*Provided*, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for \$1,339,200,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[SEC. 208. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, \$927,300,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for depot level maintenance and repair, as follows:

["Operation and Maintenance, Army", \$87,000,000;

["Operation and Maintenance, Navy", \$428,700,000;

["Operation and Maintenance, Marine Corps", \$58,000,000;

["Operation and Maintenance, Air Force", \$314,300,000;

["Operation and Maintenance, Marine Corps Reserve", \$3,000,000;

["Operation and Maintenance, Air Force Reserve", \$6,800,000; and

["Operation and Maintenance, Air National Guard", \$29,500,000;

[*Provided*, That the entire amount made available in this section is designated by the

Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for \$927,300,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[SEC. 209. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, \$156,400,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for military recruiting and advertising initiatives, as follows:

["Operation and Maintenance, Army", \$48,600,000;

["Operation and Maintenance, Navy", \$20,000,000;

["Operation and Maintenance, Air Force", \$37,000,000;

["Operation and Maintenance, Army Reserve", \$29,800,000;

["Operation and Maintenance, Navy Reserve", \$1,000,000; and

["Operation and Maintenance, Army National Guard", \$20,000,000;

[*Provided*, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for \$156,400,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[SEC. 210. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, \$307,300,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for military training, equipment maintenance and associated support costs required to meet assigned readiness levels of United States military forces, as follows:

["Operation and Maintenance, Army", \$113,200,000;

["Operation and Maintenance, Marine Corps", \$15,200,000;

["Operation and Maintenance, Air Force", \$28,000,000;

["Operation and Maintenance, Army Reserve", \$88,400,000;

["Operation and Maintenance, Navy Reserve", \$600,000;

["Operation and Maintenance, Air Force Reserve", \$11,900,000;

["Operation and Maintenance, Army National Guard", \$23,000,000; and

["Operation and Maintenance, Air National Guard", \$27,000,000;

[*Provided*, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for \$307,300,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control

Act of 1985, as amended, is transmitted by the President to the Congress.

[SEC. 211. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, \$351,500,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for base operations support costs at Department of Defense facilities, as follows:

["Operation and Maintenance, Army", \$116,200,000;

["Operation and Maintenance, Navy", \$45,900,000;

["Operation and Maintenance, Marine Corps", \$53,000,000;

["Operation and Maintenance, Air Force", \$91,900,000;

["Operation and Maintenance, Army Reserve", \$18,700,000;

["Operation and Maintenance, Navy Reserve", \$13,800,000;

["Operation and Maintenance, Marine Corps Reserve", \$300,000; and

["Operation and Maintenance, Army National Guard", \$11,700,000;

[*Provided*, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for \$351,500,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[SEC. 212. (a) In addition to amounts appropriated or otherwise made available to the Department of Defense in other provisions of this Act, there is appropriated to the Department of Defense, to remain available for obligation until September 30, 2000, and to be used only for increases during fiscal year 2000 in rates of military basic pay and for increased payments during fiscal year 2000 to the Department of Defense Military Retirement Fund, \$1,838,426,000, to be available as follows:

["Military Personnel, Army", \$559,533,000;

["Military Personnel, Navy", \$436,773,000;

["Military Personnel, Marine Corps", \$177,980,000;

["Military Personnel, Air Force", \$471,892,000;

["Reserve Personnel, Army", \$40,574,000;

["Reserve Personnel, Navy", \$29,833,000;

["Reserve Personnel, Marine Corps", \$7,820,000;

["Reserve Personnel, Air Force", \$13,143,000;

["National Guard Personnel, Army", \$70,416,000; and

["National Guard Personnel, Air Force", \$30,462,000.

[(b) The entire amount made available in this section—

[(1) is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 901(b)(2)(A)); and

[(2) shall be available only if the President transmits to the Congress an official budget request for \$1,838,426,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[(c) The amounts provided in this section may be obligated only to the extent required for increases in rates of military basic pay,

and for increased payments to the Department of Defense Military Retirement Fund, that become effective during fiscal year 2000 pursuant to provisions of law subsequently enacted in authorizing legislation.]

SEC. 201. PETROLEUM DEVELOPMENT MANAGEMENT.

(a) **SHORT TITLE.**—This chapter may be cited as the “Emergency Oil and Gas Guaranteed Loan Program Act”.

(b) **FINDINGS.**—Congress finds that—
(1) consumption of foreign oil in the United States is estimated to equal 56 percent of all oil consumed, and that percentage could reach 68 percent by 2010 if current prices prevail;

(2) the number of oil and gas rigs operating in the United States is at its lowest since 1944, when records of this tally began;

(3) if prices do not increase soon, the United States could lose at least half its marginal wells, which in aggregate produce as much oil as the United States imports from Saudi Arabia;

(4) oil and gas prices are unlikely to increase for at least several years;

(5) declining production, well abandonment, and greatly reduced exploration and development are shrinking the domestic oil and gas industry;

(6) the world's richest oil producing regions in the Middle East are experiencing increasingly greater political instability;

(7) United Nations policy may make Iraq the swing oil producing nation, thereby granting Saddam Hussein tremendous power;

(8) reliance on foreign oil for more than 60 percent of our daily oil and gas consumption is a national security threat;

(9) the level of United States oil security is directly related to the level of domestic production of oil, natural gas liquids, and natural gas; and
(10) a national security policy should be developed that ensures that adequate supplies of oil are available at all times free of the threat of embargo or other foreign hostile acts.

(c) **DEFINITIONS.**—In this section:

(1) **BOARD.**—The term “Board” means the Loan Guarantee Board established by subsection (e).

(2) **PROGRAM.**—The term “Program” means the Emergency Oil and Gas Guaranteed Loan Program established by subsection (d).

(3) **QUALIFIED OIL AND GAS COMPANY.**—The term “qualified oil and gas company” means a company that—

(A) is incorporated under the laws of any State;

(B) is—

(i) an independent oil and gas company (within the meaning of section 57(a)(2)(B)(i) of the Internal Revenue Code of 1986); or

(ii) a small business concern under section 3 of the Small Business Act (15 U.S.C. 632) (or a company based in Alaska, including an Alaska Native Corporation created pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.)) that is an oil field service company whose main business is providing tools, products, personnel, and technical solutions on a contractual basis to exploration and production operators that drill, complete wells, and produce, transport, refine, and sell hydrocarbons and their by-products as the main commercial business of the concern or company; and

(C) has experienced layoffs, production losses, or financial losses since the beginning of the oil import crisis, after January 1, 1997.

(d) **EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM.**—

(1) **IN GENERAL.**—There is established the Emergency Oil and Gas Guaranteed Loan Program, the purpose of which shall be to provide loan guarantees to qualified oil and gas companies in accordance with this section.

(2) **LOAN GUARANTEE BOARD.**—There is established to administer the Program a Loan Guarantee Board, to be composed of—

(A) the Secretary of Commerce, who shall serve as Chairperson of the Board;

(B) the Secretary of Labor; and

(C) the Secretary of the Treasury.

(e) **AUTHORITY.**—

(1) **IN GENERAL.**—The Program may guarantee loans provided to qualified oil and gas companies by private banking and investment institutions in accordance with procedures, rules, and regulations established by the Board.

(2) **TOTAL GUARANTEE LIMIT.**—The aggregate amount of loans guaranteed and outstanding at any 1 time under this section shall not exceed \$500,000,000.

(3) **INDIVIDUAL GUARANTEE LIMIT.**—The aggregate amount of loans guaranteed under this section with respect to a single qualified oil and gas company shall not exceed \$10,000,000.

(4) **MINIMUM GUARANTEE AMOUNT.**—No single loan in an amount that is less than \$250,000 may be guaranteed under this section.

(5) **EXPEDITIOUS ACTION ON APPLICATIONS.**—The Board shall approve or deny an application for a guarantee under this section as soon as practicable after receipt of an application.

(6) **ADDITIONAL COSTS.**—For the additional cost of the loans guaranteed under this subsection, including the costs of modifying the loans as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a), there is appropriated \$122,500,000 to remain available until expended.

(f) **REQUIREMENTS FOR LOAN GUARANTEES.**—The Board may issue a loan guarantee on application by a qualified oil and gas company under an agreement by a private bank or investment company to provide a loan to the qualified oil and gas company, if the Board determines that—

(1) credit is not otherwise available to the company under reasonable terms or conditions sufficient to meet its financing needs, as reflected in the financial and business plans of the company;

(2) the prospective earning power of the company, together with the character and value of the security pledged, provide a reasonable assurance of repayment of the loan to be guaranteed in accordance with its terms;

(3) the loan to be guaranteed bears interest at a rate determined by the Board to be reasonable, taking into account the current average yield on outstanding obligations of the United States with remaining periods of maturity comparable to the maturity of the loan; and

(4) the company has agreed to an audit by the General Accounting Office before issuance of the loan guarantee and annually while the guaranteed loan is outstanding.

(g) **TERMS AND CONDITIONS OF LOAN GUARANTEES.**—

(1) **LOAN DURATION.**—All loans guaranteed under this section shall be repayable in full not later than December 31, 2010, and the terms and conditions of each such loan shall provide that the loan agreement may not be amended, or any provision of the loan agreement waived, without the consent of the Board.

(2) **LOAN SECURITY.**—A commitment to issue a loan guarantee under this section shall contain such affirmative and negative covenants and other protective provisions as the Board determines are appropriate. The Board shall require security for the loans to be guaranteed under this section at the time at which the commitment is made.

(3) **FEES.**—A qualified oil and gas company receiving a loan guarantee under this section shall pay a fee to the Department of the Treasury to cover costs of the program, but in no event shall such fee exceed an amount equal to 0.5 percent of the outstanding principal balance of the guaranteed loan.

(h) **REPORTS.**—During fiscal year 1999 and each fiscal year thereafter until each guaranteed loan has been repaid in full, the Secretary of Commerce shall submit to Congress a report on the activities of the Board.

(i) **SALARIES AND ADMINISTRATIVE EXPENSES.**—For necessary expenses to administer

the Program, \$2,500,000 is appropriated to the Department of Commerce, to remain available until expended, which may be transferred to the Office of the Assistant Secretary for Trade Development of the International Trade Administration.

(j) **TERMINATION OF GUARANTEE AUTHORITY.**—The authority of the Board to make commitments to guarantee any loan under this section shall terminate on December 31, 2001.

(k) **REGULATORY ACTION.**—Not later than 60 days after the date of enactment of this Act, the Board shall issue such final procedures, rules, and regulations as are necessary to carry out this section.

FEDERAL ADMINISTRATIVE AND TRAVEL EXPENSES (RESCISSIONS)

SEC. 202. (a) Of the funds available in the nondefense category to the agencies of the Federal Government, \$125,000,000 are hereby rescinded: Provided, That rescissions pursuant to this subsection shall be taken only from administrative and travel accounts: Provided further, That rescissions shall be taken on a pro rata basis from funds available to every Federal agency, department, and office in the Executive Branch, including the Office of the President.

(b) Within 30 days after the date of enactment of this Act, the Director of the Office of Management and Budget shall submit to the Committees on Appropriations of the House of Representatives and the Senate a listing of the amounts by account of the reductions made pursuant to the provisions of subsection (a) of this section.

CHAPTER 3

[BILATERAL ECONOMIC ASSISTANCE

[FUNDS APPROPRIATED TO THE PRESIDENT

[AGENCY FOR INTERNATIONAL DEVELOPMENT

[INTERNATIONAL DISASTER ASSISTANCE

[For an additional amount for “International Disaster Assistance”, \$96,000,000 (increased by \$67,000,000), to remain available until expended: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[OTHER BILATERAL ECONOMIC ASSISTANCE

[ECONOMIC SUPPORT FUND

[For an additional amount for “Economic Support Fund”, \$105,000,000, to remain available until September 30, 2000, for assistance for Albania, Macedonia, Bulgaria, Bosnia-Herzegovina, Montenegro, and Romania, and for investigations and related activities in Kosovo and in adjacent entities and countries regarding war crimes: Provided, That these funds shall be available notwithstanding any other provision of law except section 533 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277)): Provided further, That the requirement for a notification through the regular notification procedures of the Committees on Appropriations contained in subsection (b)(3) of section 533 shall be deemed to be satisfied if the Committees on Appropriations are notified at least 5 days prior to the obligation of such funds: Provided further, That the entire amount is designated by the Congress as an emergency requirement pursuant to section

251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES]

[For an additional amount for "Assistance for Eastern Europe and the Baltic States", \$75,000,000, to remain available until September 30, 2000, of which up to \$1,000,000 may be used for administrative costs of the U.S. Agency for International Development: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That funds appropriated under this heading shall be obligated and expended subject to the regular notification procedures of the Committees on Appropriations.

[DEPARTMENT OF STATE]

[MIGRATION AND REFUGEE ASSISTANCE]

[For an additional amount for "Migration and Refugee Assistance", \$195,000,000, to remain available until September 30, 2000, of which not more than \$500,000 is for administrative expenses: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND]

[For an additional amount for the "United States Emergency Refugee and Migration Assistance Fund", and subject to the terms and conditions under that head, \$95,000,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[GENERAL PROVISION—THIS CHAPTER]

[SEC. 301. The value of commodities and services authorized by the President through March 31, 1999, to be drawn down under the authority of section 552(c)(2) of the Foreign Assistance Act of 1961 to support international relief efforts relating to the Kosovo conflict shall not be counted against the ceiling limitation of that section: *Provided*, That such assistance relating to the Kosovo conflict provided pursuant to section 552(a)(2) may be made available notwithstanding any other provision of law.

[CHAPTER 4]

[DEPARTMENT OF DEFENSE]

[MILITARY CONSTRUCTION]

[NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM]

[For an additional amount for "North Atlantic Treaty Organization Security Investment Program", \$240,000,000, to remain available until expended: *Provided*, That the Secretary of Defense may make additional contributions for the North Atlantic Treaty Organization, as provided in section 2806 of title 10, United States Code: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to

the extent that an official budget request for \$240,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

[GENERAL PROVISION—THIS CHAPTER]

[SEC. 401. In addition to amounts appropriated or otherwise made available in the Military Construction Appropriations Act, 1999, \$831,000,000 is hereby appropriated to the Department of Defense, to remain available until September 30, 2003, as follows:

["Military Construction, Army", \$295,800,000;

["Military Construction, Navy", \$166,270,000;

["Military Construction, Air Force", \$333,430,000; and

["Military Construction, Defense-wide", \$35,500,000:

***Provided*, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out military construction projects not otherwise authorized by law: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for \$831,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.**

[CHAPTER 5]

[DEPARTMENT OF AGRICULTURE]

[FARM SERVICE AGENCY]

[AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT]

[For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928-1929, to be available from funds in the Agricultural Credit Insurance Fund, \$1,095,000,000, as follows: \$350,000,000 for guaranteed farm ownership loans; \$200,000,000 for direct farm ownership loans; \$185,000,000 for direct farm operating loans; \$185,000,000 for subsidized guaranteed farm operating loans; and \$175,000,000 for emergency farm loans.

[For the additional cost of direct and guaranteed farm loans, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, to remain available until September 30, 2000: farm operating loans, \$28,804,000, of which \$12,635,000 shall be for direct loans and \$16,169,000 shall be for guaranteed subsidized loans; farm ownership loans, \$35,505,000, of which \$29,940,000 shall be for direct loans and \$5,565,000 shall be for guaranteed loans; emergency loans, \$41,300,000; and administrative expenses to carry out the loan programs, \$4,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

[OFFSETS—THIS CHAPTER]

[BILATERAL ECONOMIC ASSISTANCE]

[FUNDS APPROPRIATED TO THE PRESIDENT]

[AGENCY FOR INTERNATIONAL DEVELOPMENT]

[DEVELOPMENT ASSISTANCE]

[RESCISSION]

[Of the funds appropriated under this heading in Public Law 105-118 and in prior acts making appropriations for foreign oper-

ations, export financing, and related programs, \$40,000,000 are rescinded.

[OTHER BILATERAL ECONOMIC ASSISTANCE]

[ECONOMIC SUPPORT FUND]

[RESCISSION]

[Of the funds appropriated under this heading in Public Law 105-277 and in prior acts making appropriations for foreign operations, export financing, and related programs, \$17,000,000 are rescinded.

[DEPARTMENT OF HEALTH AND HUMAN SERVICES]

[HEALTH RESOURCES AND SERVICES ADMINISTRATION]

[FEDERAL CAPITAL LOAN PROGRAM FOR NURSING]

[RESCISSION]

[Of the funds made available under the Federal Capital Loan Program for Nursing appropriation account, \$2,800,000 are rescinded.

[DEPARTMENT OF EDUCATION]

[EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT]

[RESCISSION]

[Of the funds made available under this heading in section 101(f) of Public Law 105-277, \$6,800,000 are rescinded.

[MILITARY ASSISTANCE]

[FUNDS APPROPRIATED TO THE PRESIDENT]

[PEACEKEEPING OPERATIONS]

[RESCISSION]

[Of the funds appropriated under this heading in Public Law 105-277, \$10,000,000 are rescinded.

[MULTILATERAL ECONOMIC ASSISTANCE]

[FUNDS APPROPRIATED TO THE PRESIDENT]

[INTERNATIONAL FINANCIAL INSTITUTIONS]

[CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT]

[GLOBAL ENVIRONMENT FACILITY]

[RESCISSION]

[Of the funds appropriated under this heading in Public Law 105-277, \$25,000,000 are rescinded.

[EXECUTIVE OFFICE OF THE PRESIDENT]

[FUNDS APPROPRIATED TO THE PRESIDENT]

[UNANTICIPATED NEEDS]

[RESCISSION]

[Of the funds made available under this heading in Public Law 101-130, the Fiscal Year 1990 Dire Emergency Supplemental to Meet the Needs of Natural Disasters of National Significance, \$10,000,000 are rescinded.

[CHAPTER 6]

[GENERAL PROVISION]

[SEC. 601. No part of any appropriation contained in the Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

[SEC. 602. It is the sense of the Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

[This Act may be cited as the "Kosovo and Southwest Asia Emergency Supplemental Appropriations Act, 1999".]

GENERAL PROVISIONS

SEC. 301. No part of any appropriation contained in the Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 302. (a) Amounts appropriated or otherwise made available in chapters 1 and 2 of this Act are designated by the Congress as an emergency requirement pursuant to section

251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)), as amended.

(b) The amounts referred to in subsection (a) shall be available only to the extent that the President makes an emergency designation pursuant to that Act.

This Act may be cited as the "Emergency Steel Loan Guarantee and Emergency Oil and Gas Guaranteed Loan Act of 1999".

Amend the title so as to read: "An Act providing emergency authority for guarantees of loans to qualified steel and iron ore companies and to qualified oil and gas companies, and for other purposes."

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2000

Mr. LOTT. Mr. President, I ask unanimous consent the Senate resume consideration of the energy and water appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate resumed the consideration of the bill.

Pending:

Domenici amendment No. 628, of a technical nature.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I am aware of the very tight budgetary constraints under which this bill is being considered and I commend the chairman and ranking member for their good, hard work. One concern I have, however, is that the fiscal year 2000 Energy and Water Appropriations bill does not fund the Department of Energy's Scientific Simulation Initiative (SSI). The SSI is not only an integral part of the President's Information Technology Initiative for the 21st Century, but also a key element in the Department's effort to keep the United States at the leading edge of scientific discovery. It is only through scientific modeling on computers 10-100 times more powerful than those now available to civilian scientists that we can address many scientific problems with an enormous potential payoff for the Nation. The SSI will build on DOE's successful history of making leading edge computers available for scientific modeling to provide us with reliable, quantitative and regional information about changes in climate, and help us design more efficient internal combustion engines. It will also help us create more effective drugs and materials, and contribute to our understanding of basic scientific problems in a wide range of disciplines. I hope that, should more funding become available during this year's congressional appropriations process, the Senate will work

with the House of Representatives to fully fund this important program.

Mr. LEVIN. Mr. President, I am pleased the managers have accepted the amendment that I introduced along with Senators DEWINE, VOINOVICH, MOYNIHAN and AKAKA, adding funds to help combat zebra mussels and other invasive species which infest U.S. waterways. The funds provided will allow the Army Corps of Engineers (USACE) to meet its responsibilities under the National Invasive Species Act of 1996 to research, develop and demonstrate environmentally sound techniques for managing and removing aquatic nuisance species that threaten public infrastructure in U.S. waters. The Corps' efforts complement the work of other agencies to limit the introduction and spread of new species, providing a desperately needed aquatic invasive species control program.

Mr. President, Zebra mussels in the Great Lakes degrade and disrupt the ecosystem; they endanger other indigenous species, either by consuming their food supply or smothering them, and zebra mussels cause grave economic impacts as they damage public infrastructure. Similar nonindigenous species infestations harm virtually every U.S. waterway and coastal area. Over the years, legislation to prevent and control these invasive species has received strong bipartisan, multi-regional support as a testimony to the serious threat they pose.

The Committee bill includes some other important items for Michigan and the Great Lakes. These include:

\$400,000 for preconstruction, engineering and designing improvements to the locks in Sault Ste. Marie.

\$1.7 million to repair the north and south piers and revetments at Pentwater Harbor.

\$100,000 to complete a study on Environmental Dredging in Detroit River.

\$250,000 for corrections to deficiencies associated with the Clinton River Spillway.

\$100,000 to complete seawall construction, dredging and other work associated with the establishment of the Robert V. Annis Water Resource Institute at Grand Valley State University.

\$200,000 for planning and design of sea lamprey barriers at sites throughout the Great Lakes basin. As my colleagues may know, the sea lamprey is a devastating invasive species that has plagued the Great Lakes since it first appeared and these barriers play an important role in preventing this species spread and population growth.

Funding for the Partnership for a New Generation of Vehicles (PNGV)

Mr. President, on balance, this is a good bill, despite the budget constraints that the managers faced in putting it together.

Mr. DEWINE. Mr. President, I rise today to make a few remarks about a serious threat to my home state of Ohio and to thank the honorable chairman and ranking member of the Energy and Water Appropriations Sub-

committee and Senator LEVIN for helping me to address this threat.

Mr. President, sometimes big problems come in small packages. Today, Lake Erie—and just about every other body of water in the Midwest—are threatened by a very small and unwanted intruder, the zebra mussel. This small but prodigious mussel is just one of the many invasive species that have entered this country and which threaten to degrade the natural resource capital of virtually every U.S. waterway and coastal area. Free of their natural predators and other limiting environmental factors, alien species like the zebra mussel often cause grave economic harm as they foul or otherwise damage public infrastructure.

In the late 1980s, the zebra mussel was discovered in Lake St. Clair, having arrived from eastern Europe through the discharge of ballast water from European freighters. The species spread rapidly to 20 states and as far as the mouth of the Mississippi River. U.S. expenditures to control zebra mussels and clean water intake pipes, water filtration equipment, and electric generating plants and other damages are estimated at \$3.1 billion over 10 years.

In Ohio, the zebra mussel poses a particular threat to public water intake systems. Ohio has more than 1,900 facilities that collectively withdraw over 10 billion gallons of water per day. The costs to remove or prevent infestations of zebra mussels in large surface water intakes can exceed \$350,000 annually.

The mussels threaten native wildlife in Ohio by competing for the food of native fish by filtering algae and other plankton from the water. They have also been shown to accumulate contaminants which can be passed up the food chain. During the summer of 1995, they were implicated as the probable cause of a large bloom of toxic algae in the Western Basin of Lake Erie. The frequency of these large and destructive blooms has increased as the mussels spread through the lake. Since 1988, zebra mussels in Ohio have spread to 10 inland lakes and 6 streams.

Mr. President, along with my esteemed colleague and co-chairman of the Great Lakes Task Force, Senator LEVIN, I urged funding for the effective implementation of a program to help mitigate the impact of zebra mussels in United States waters. Today, I want to thank Senator DOMENICI and Senator REID for continuing to fund important research to control the damage caused by the zebra mussel.

While other agencies work to limit the introduction of new species into U.S. waters, the Army Corps of Engineers has the responsibility under the National Invasive Species Act (NISA) of developing better means for managing those pest species already established. NISA expands existing authority for the Army Corps to research, develop and demonstrate environmentally sound techniques for removing zebra mussels and other aquatic